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Page: 1

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PAGE 01            STATE 130883  
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AMB/DCM FROM ARA/AND (TAYLOR)

E.O. 12356: DECL: OADR  
TAGS: AMGT BL CO EC PE VE  
SUBJECT: ASDAR

1. CONFIDENTIAL - ENTIRE TEXT.
2. THE FOLLOWING TEXT IS FROM THE ARA/AND ASDAR FOR 4/25/89. BEGIN TEXT:

COLOMBIA

(C) EXIM BANK MEETINGS. DEFMIN REPS MET WITH DOD, STATE, TREASURY AND EXIM BANK OFFICIALS TODAY AND YESTERDAY TO  
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PAGE 02            STATE 130883

DISCUSS GOC PURCHASES OF MILITARY EQUIPMENT UNDER THE EXIM PROVISION OF THE DRUG ABUSE ACT. THE MEETINGS MOSTLY DEALT WITH SPECIFICS OF HOW TO GO ABOUT THE PROCESS OF

Current Class: CONFIDENTIAL

Page: 1

UNITED STATES DEPARTMENT OF STATE  
REVIEW AUTHORITY: OSCAR J. OLSON  
DATE/CASE ID: 30 OCT 2002 200201334

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Current Class: CONFIDENTIAL  
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Document Number: 1989STATE130883

Page: 2  
Channel: n/a

FINANCING THE ITEMS ON THE LIST. DOD HAS AGREED TO OBTAIN MORE INFORMATION ON THE LIST OF ITEMS PRESENTED BY THE COLOMBIANS SO EXIM CAN BEGIN THE PROCESS OF GIVING PRELIMINARY COMMITMENTS. ONE SNAG: MOST OF THE PURCHASES WILL BE MADE THROUGH FMS, WHICH REQUIRES UP-FRONT FINANCING. EXIM DOES NOT PAY UNTIL TIME OF DELIVERY. THE GOC MAY HAVE TO REQUEST A BRIDGE LOAN TO COVER THE GAP. (FRENCH)

(C) DEFMIN DECLARES "TOTAL WAR" AGAINST ELN. A RECENT SPATE OF KIDNAPPINGS, MURDEROUS AMBUSHES AND SABOTAGE OF THE CANO-LIMON OIL PIPELINE PROMPTED DEFMIN GUERRERO PAZ TO DECLARE "TOTAL WAR" AGAINST THE PRO-CASTRO ELN. GUERRERO PAZ HAS INSTRUCTED THE ARMED FORCES TO COME UP WITH A PLAN TO RESTORE ORDER IN THE AREAS MOST AFFECTED BY ELN ATTACKS. MEANWHILE, POLICE AND ARMY UNITS KILLED 13 EPL GUERRILLAS IN ANTIOQUIA DEPARTMENT WHILE SUFFERING ONLY ONE CASUALTY. (FRENCH)

## BOLIVIA

(C) EX-MINERS EMBARRASS GOVERNMENT. DEMONSTRATIONS BY EX-MINERS, WHO HAVE BEEN STRAPPING THEMSELVES TO CROSSES ERECTED AT THE UNIVERSITY IN DOWNTOWN LA PAZ, ARE REMINDING VOTERS OF THE COST OF BOLIVIA'S ECONOMIC REFORM AND HAVE COME AT THE WORST POSSIBLE TIME FOR GONI SANCHEZ DE LOZADA, MNR PRESIDENTIAL CANDIDATE AND ARCHITECT OF THE ECONOMIC REFORM. THE MINERS ARE DEMANDING A HUGE INCREASE IN THEIR 1986 SEVERANCE PAYMENTS. PRESS COVERAGE HAS BEEN MASSIVE. MNR'S ADVERSARIES ON THE LEFT AND THE RIGHT ARE  
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PAGE 03      STATE 130883

FEEDING ON THE SPECTACLE TO DENOUNCE GONI'S SUPPOSED REMOTENESS FROM BOLIVIA'S POVERTY. (BISHARAT)

## ECUADOR

(C) THE MILITARY SPEAKS OUT ON THE AVC. AT AN ANTI-TERRORISM CONFERENCE SPONSORED BY DS IN WASHINGTON, ECUADORIAN UNDERSECRETARY FOR DEFENSE LIMA SPOKE OUT ON THE SUBJECT OF THE AVC, THE TERRORIST GROUP WHICH RECENTLY AGREED WITH THE GOE NOT TO CONTINUE TERRORIST ACTIVITIES. LIMA MADE CLEAR THAT THE AVC DEAL IS ONLY BETWEEN THE CIVILIAN GOVERNMENT AND THE AVC. THE MILITARY DO NOT CONSIDER THEMSELVES BOUND BY THE AGREEMENT. (DRUCKER)

Current Class: CONFIDENTIAL

Page: 2

UNCLASSIFIED

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Current Class: CONFIDENTIAL  
Current Handling: ONLY, STADIS  
Document Number: 1989STATE130883

Page: 3

Channel: n/a

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(C) ECONOMIC REACTIVATION MEASURES. THE GOP HAS RELEASED FURTHER DETAILS OF ITS PLANS TO REACTIVATE THE ECONOMY. LIQUIDITY WILL BE STRICTLY LIMITED BY THE CENTRAL RESERVE BANK TO INCREASE INTEREST RATES AND CURB INFLATION. WORKING CAPITAL LOANS WILL BE MADE AVAILABLE TO SMALL BUSINESS, AND CONSTRUCTION IS TO BE STIMULATED THROUGH SPECIAL MORTGAGES FOR LOW INCOME BUYERS. ECONOMISTS HAVE REACTED CRITICALLY TO THE MEASURES, SAYING THE PROGRAM WILL FURTHER DAMAGE THE ECONOMY, AFFECTING BOTH RESERVES AND INFLATION. (HOLSTEIN)

END OF TEXT.  
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Current Class: CONFIDENTIAL

Page: 3

UNCLASSIFIED